

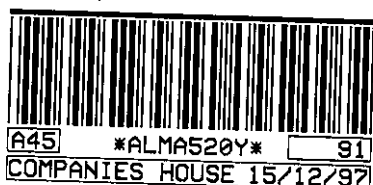
COMPANIES HOUSE

"260382"

BAZ-ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1997

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BAZ-ROLL INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS	B A Malandrinos P Malandrinos
SECRETARY	P Malandrinos
BANKERS	Lloyds Bank Plc 10 High Street Bracknell RG12 1BT
AUDITORS	Leach and Co. 18-20 George Street Richmond Surrey TW9 1PR
REGISTERED OFFICE	Ashley House 18-20 George Street Richmond Surrey TW9 1PR
REGISTERED NUMBER	2603821 (England and Wales)

BAZ-ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1997

The directors present their annual report together with the audited financial statements of the company for the year ended 31 May 1997.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of dealers in industrial and agricultural machinery.

REVIEW OF BUSINESS

The results for the year are set out in the annexed profit and loss account.

Turnover has increased during the year by 87.3% to £463,298. The directors consider the profit for the year achieved on ordinary activities before taxation to be particularly satisfactory in the light of difficult trading conditions.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

No dividends were declared in respect of the previous year.

DIRECTORS

The directors who held office during the year and their beneficial interests in the issued share capital were as follows:

	<u>Ordinary shares of £1 each</u>	
	31 May 1997	31 May 1996
B A Malandrinos	50	50
P Malandrinos	50	50

FIXED ASSETS

The movements in the fixed assets of the company are disclosed in note 7 to the financial statements.

DIRECTORS MATERIAL INTERESTS

During the year the company had dealings with Baz-Roll Products Limited a company in which the directors had a material interest. All transactions were entered into on an arms length basis.

BAZ-ROLL INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 1997

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Leach and Co., will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

Signed on behalf of the board of directors



P Malandrinos
Secretary

Approved by the board on: 21 November 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF

BAZ-ROLL INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985. (or - provisions of the Companies Act 1985 applicable to small companies - where applicable).



LEACH AND CO.
Registered Auditor and
Chartered Accountants

18-20 George Street
Richmond
Surrey TW9 1PR

21 November 1997

BAZ-ROLL INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1997

	Notes	1997		1996	
		£	£	£	£
TURNOVER	2		463,298		247,413
Cost of sales			404,015		216,864
GROSS PROFIT			59,283		30,549
Selling and distribution costs		298		-	
Administrative expenses		28,577		26,756	
			28,875		26,756
OPERATING PROFIT	3		30,408		3,793
Other operating income			48,146		48,045
			78,554		51,838
Interest payable	5		31,176		33,163
PROFIT on ordinary activities before taxation			47,378		18,675
TAXATION on profit on ordinary activities	6		12,825		6,432
PROFIT on ordinary activities after taxation			34,553		12,243
RETAINED PROFIT/(DEFICIT) BROUGHT FORWARD			8,984		(3,259)
BALANCE CARRIED FORWARD			£ 43,537		£ 8,984

There were no recognised gains nor losses other than those included in the profit and loss account.

None of the company's activities were acquired or discontinued during the above two years.

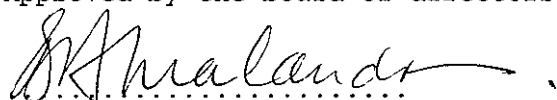
The notes on pages 7 to 11 form part of these financial statements.

BAZ-ROLL INTERNATIONAL LIMITED

BALANCE SHEET - 31 MAY 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		424,822		432,046
CURRENT ASSETS					
Stock	8	17,038		-	
Debtors	9	230,963		137,487	
Cash at bank and in hand		15,884		13,644	
		263,885		151,131	
CREDITORS: amounts falling due within one year	10	289,610		218,633	
NET CURRENT LIABILITIES			(25,725)		(67,502)
TOTAL ASSETS LESS CURRENT LIABILITIES			399,097		364,544
CREDITORS: amounts falling due after more than one year	11		355,460		355,460
			£ 43,637		£ 9,084
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account			43,537		8,984
SHAREHOLDERS FUNDS	14		£ 43,637		£ 9,084

Approved by the board of directors on 21 November 1997 and signed on its behalf.



B A Malandrinos
Director

The notes on pages 7 to 11 form part of these financial statements.

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention (as modified by the revaluation of certain assets).

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at rates calculated to write off each asset over its estimated useful life. The principal annual rates in use are:

Freehold buildings	2%	on cost
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Stock

Stock and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Foreign exchange

Transactions denominated in foreign currencies are converted into sterling and recorded at the exchange rates ruling at the date of the transaction.

2 TURNOVER

The turnover and profit for the year before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

3 OPERATING PROFIT

The operating profit is stated after charging:

	1997	1996
	£	£
Directors' emoluments	-	-
Depreciation	7,224	7,224
Auditors' remuneration	600	600

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

(continued)

4 INCOME FROM FIXED ASSET INVESTMENTS

	1997	1996
	<u>£</u>	<u>£</u>
Rent receivable	<u>48,146</u>	<u>47,783</u>

5 INTEREST PAYABLE

	1997	1996
	<u>£</u>	<u>£</u>
Repayable within five years:		
Bank loans and overdrafts	<u>31,176</u>	<u>33,163</u>

6 TAXATION

	1997	1996
	<u>£</u>	<u>£</u>
Corporation tax on ordinary activities at 21/24%	<u>12,825</u>	<u>6,432</u>

7 TANGIBLE FIXED ASSETS

	Land and buildings	Total
	<u></u>	<u></u>
<u>Cost or valuation</u>		
At 31 May 1996	<u>460,927</u>	<u>460,927</u>
At 31 May 1997	<u>460,927</u>	<u>460,927</u>
<u>Depreciation</u>		
At 31 May 1996	<u>28,881</u>	<u>28,881</u>
Charge for the year	<u>7,224</u>	<u>7,224</u>
At 31 May 1997	<u>36,105</u>	<u>36,105</u>
<u>Net book value</u>		
At 31 May 1997	<u>£ 424,822</u>	<u>£ 424,822</u>
At 31 May 1996	<u>£ 432,046</u>	<u>£ 432,046</u>

The net book value of land and buildings at 31 May 1997 is made up as follows:

	1997	1996
	<u>£</u>	<u>£</u>
Freehold buildings	<u>424,822</u>	<u>432,046</u>
	<u>424,822</u>	<u>432,046</u>

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

(continued)

8 STOCK

	1997	1996
	£	£
Raw materials	17,038	-

9 DEBTORS

	1997	1996
	£	£
Trade debtors	163,776	44,446
Other debtors	-	1,125
Due from related companies	59,224	80,212
Prepaid expenses	7,963	11,704
	230,963	137,487

10 CREDITORS: amounts falling due within one year

	1997	1996
	£	£
Trade creditors	74,722	6,479
Accrued expenses	7,455	30,232
Social security and other taxes	19,748	-
Other creditors	174,860	174,860
	276,785	211,571
Bank loan and overdraft (note 12)	-	631
Taxation	12,825	6,431
	289,610	218,633

11 CREDITORS: amounts falling due after more than one year

	1997	1996
	£	£
Bank loans (note 12)	355,460	355,460
	355,460	355,460

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

(continued)

12 BANK LOANS AND OVERDRAFTS

The aggregate amount of bank loans and overdrafts was as follows:

	1997	1996
	£	£
(a) Falling due within one year		
Bank overdraft	-	631
	-	631
(b) Falling due after more than one year		
Bank loan	355,460	355,460
	355,460	355,460
Aggregate amounts	355,460	356,091

The bank loan is secured on the freehold property of the company. Interest only payments are to be made in connection with this loan at 2.5% p.a. above the Finance House Association Base Rate until 3 June 2004. Capital and interest payments will then be made over the next 7 years resulting in the loan being repaid by 3 June 2011.

13 CALLED UP SHARE CAPITAL

	1997	1996
	£	£
Authorised		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the year	34,553	12,243
Shareholders' funds at 31 May 1996	9,084	(3,159)
Shareholders' funds at 31 May 1997	43,637	9,084

BAZ-ROLL INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MAY 1997

(continued)

15 ULTIMATE CONTROL

The company is controlled by B.A. Malandrinos Esq. a director of the company.